C/015/018 Incoming



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement Western Region Office 1999 Broadway, Suite 3320 Denver, CO 80202-3050



June 6, 2011

RECEIVED

JUN 0 9 2011

DIV. OF OIL, GAS & MINING

Dear Sir/Madam,

Enclosed for your records is a copy of OSM's inspection report for the 9th East Portal Phase III Bond Release Inspection conducted on May 17, 2011.

If you have any questions regarding this report, please contact Elizabeth Shaeffer, Environmental Protection Specialist, Denver Field Division, at (303) 293-5025.

Sincerely,

Kenneth Walker, Chief Denver Field Division

Attachment: Copy of OSM inspection report



U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation State Program



1. Person/Permittee	9. Permit Number 10. Permit Type			
ENERGY WEST MINING	UT-015-018 PP			
2. Address	11. Field Visit Date 12. Purpose 13. SRA Present			
P. O. BOX 310	05/17/2011 OB3 Y			
	mm -dd - yyyy 14. Permit Status 15. Site Status 16. Facility Type			
3. City 4. State	14. Permit Status 15. Site Status 16. Facility Type AP BDEFG			
HUNTINGTON	17. OSM Office # 18. CCID # 19. Land Code			
5. Zip Code 6. Phone Number	OF OF			
84528 (435) 687 - 4712	20. M.S.H.A. ID # 21.State Code 22. County Name			
7. Operator Name (if different than Permittee)				
ENERGY WEST MINING CO.	42-00121 UT EMERY 23 AVS Permittee Enity ID Number 24. State Office			
8. Mine Name	23. AVS Permittee Enity ID Number 24. State Office			
DEER CREEK MINE				
25. Hours 26. Signature Myck	27. Reviewing Official:			
2.00 a. Permit Review Signature	Ast majgnature ?			
2.00 b. Site Visit Time Elizabeth Shaeffer ID # 377	Joseph anders			
15.00 c. Travel Time Printed Name	Review Date: 6/6/20//			
3.00 d. Report Writing Date: 06/02/2011	Is Supplemental MSE Page Used Y?N Y			
Permit Type - Item 10 IP = Interim Program, PP = Permanent Program, NP = No Pe	ermit			
Purpose Type Codes - Item 12	CCR Citizen Compliant Referral (non site Fees CC: Citizen Complaint (initial site visit)			
Oxx Oversight RFx Reclamation Axx Assistance Fxx Federal Action	ns CCF Citizen Complaiont Follow-up			
Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies	an OSM inspector any time during the review of the mine site.			
Permit Status - Item 14 operat	doned: All surface and underground coal mining activities have ceased and for has left the site without completing reclamation as defined in			
A Active. Coal finding and reconstitution additions describing of AB1 Bond	R 840.11(g) Forfeiture: Bond forfeiture officially in process or completed, and			
IN Inactive (Permanent Program Permit): Phase II completed or reclam Temporary Cassation of Operations (Interim Program Permit) AB2 Partial	nation in progress or not yet commenced. Ny Reclaimed Forfeiture: Forfeited site where all bonds have been used to			
Coal mining completed and reclamation activities initiated Record Release: Reclamation completed and State Regulatory AB3., Reclaim	m site, but site not reclaimed to Program standards. imed Forfeiture: Forfeited site that has been reclaimed to Program standards.			
Authority (RA) has released all of the bond (Phase III Release.) NA Not A	pplicable: When site is unpermitted.			
Site Status Codes - Item 15 ND. No Dieturbance: No coal mining and reclamation MC Mining Complete: No m	NS Non-Site Visit: Status of site not determined. FP Forfeiture Pending: The RA is pursuing			
operations have been started.	phase bond release. actions to revoke the permit, collect the			
EX Coal Exploration: Coal exploration operations below started and where coal mining operations cessation of mining pure				
have not begun.	ast Phase I bond release reclamation completed.			
activities are occurring granted for entire permit permits, partial bond rel	tted area. For interim FO Abandoned Site. Abandoned Site that is permitted but there is no bond.			
facility such as tipple or preparation plant.	east Phase II bond release WC. Wildcat: Coal mining and reclamation operations have or are taking place and the			
NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded. To the entire permitted to the entire permitted to the entire permitted. P3 Phase III Release: Rectiting the RA has released all	clamation completed and activity is not covered by the required			
Facility Type Codes - Item 16 D Ancillary (Haulroad, Conveyor, and/or Rails)	H Exploration Permits L Remining site permitted under 30CFR785.25			
A Surface E Refuse and/or Impoundment B. Underground F Loading Facility and/or Tipple	J Exempt 16 and 2/3			
C Preparation Plant G Stockpiles	K Government Financed Construction Exemption			

Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247). Page 1 of
Revised October 1, 2010

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permit Person		ENERGY WEST MINING	Permit Number	UT-015-018		Field Visit Date	05/17/2011	Continuation Page		
reison		2º Dorf	orman	on Stan	dard	Categori				
28. Performance Standard Categories										
Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited H. Subsidence Control Plan										
	Admi 1 2 3 4 5 6	Mining within Bonded Area Terms & Conditions of Permit Liability Insurance Ownership and Control	11 2 31 4 51 6	filling & Gra Exposed Op Contempora Approximate Highwall El Steep Slopes Handling of Stabilization	enings neous Rec e Original imination s (includes Acid & T	Contour s downslope) oxic Materials	I. Roads 1. Roads 2. Co 3. Do 4. So 5. Ro J. Signs &	oad Construction ertification rainage urfacing and Maintenance eclamation Markers		
В.		AML Rec. Fees Failure to Pay ologic Balance		ss Spoil Disp Placement	osal	,	1. <u>1</u> Si 2. <u>1</u> M KDist			
	11 2 3 4 5 6 7.		(Ref	Mine Waste use Piles/Imp	oilization & Certific oundmen ontrol	ts)	2. 1 T M. 1 Post N. Other	egetative Cover		
1	8 9 0 1	Surface Water Monitoring Drainage Acid-Toxic Materials Impoundments Stream Buffer Zones	3 4 5 G. Use	Placement Inspections Impounding Of Explosives	and Certif Structure	ications Po	Category erformance1)			
C.	1 2 3	oil & Subsoil Removal Substitute Materials Storage and Protection	2 3		ohibitions y/Schedule					
Performance Standard Categories Sandard Categor										
A.	Adm	inistrative			1. Pla 2. Dra	cement.		71(e)		
1	. Val	id Permit iing within Bonded Area			3. Su	rface Stabilization.		71(g)		
					4. Ins	pections & Certifica	itions	71(h)		
1	Lia	ms & Conditions of Permit bility Insurance nership and Control mporary Cessation		800.60	F. Co	al Mine Waste	(Refuse Piles/Impo	oundments) 310/31/.31-34)		
	. Ow	nership and Control		778.13	 Dra 	inage Control		83(a) 83(b)		
6	. Ten	nporary Cessation	842.11(e) d	£816/817.131	2. Su	rface Stabilization -		83(b)		
7	. AM	mponary Cessation I. Rec. Fees — Non-Respondent I. Rec. Fees — Failure to Pay rologic Balance image Control		870.15(b)	3. Pla	cement ———		83(c)		
8	. AM	IL Rec. Fees - Failure to Pay		870.15(a)	4. Ins	pections and Certifi	cations			
B.	Hydi	rologic Balance	(816	/817.41-5/)	5. Im	pounding Structure	S			
1	. Dra	inage Control		45	G. Use	e of Explosives		(816/817.61-68)		
2	. Ins	pections & Certifications		49(a)(10)	1. Bla	ıster Centification –		61(c)		
3	. Silt	ation Structures ————————————————————————————————————			2. Dis	tance Prohibitions		61(d)		
1 4	. Dis	charge Structures		43	. 3. Bia	est Survey/Schedule		62-64		
1 3	DIV	ersions ————————————————————————————————————		47	4. Wa	imings & Records	r	66 & 68 67 (817.121-122)		
	LII	ound Water Monitoring		41(c)		ntroi of Adverse 11	rects —————	/015 101 100\		
		A 177 / 3.5 .: .:		41(4)	H. Sut	isidence Contr	ol Pian	(317.121-122)		
	Sun	mage—Acid - Toxic Materials		41(f)	I. Roz	ıds		(816/81/.150-151)		
1 10	i Imi	normants			1. Ro	ad Construction -		150(c)		
1 11	Ctr.	ann Buffer Zones		57	2. Ce	rtification		151(a)		
1 4	Tar	ninage—Acid - Toxic Materials poundments earn Buffer Zones pooll & Subsoil moval bstitute Materials	(816/817.22)	3. Dr	ainage		(816/817.150-151) ————————————————————————————————————		
1 :	Tol	Manj	,		4. Su	rfacing and Mainte	nance	150(e)-151(d)		
1		hating Matarials		22(c)	 Ke 	clamation		150(f)		
1 5	. 20	orage and Protection		22(c)	J. Sign	ns & Markers		150(f) 816/817.11)		
1 3	DA	distribution		22(d)	1. Sig	ms		11(a),(b),&(c)		
1 20.	r. AC Daal-	bstitute Materials. Inage and Protection distribution filling & Grading	816/	817.95-107)	2. Mž	irkers ———		11(a),(b),&(c) 11(a),(b),(d),(e),&(f)		
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1 5	. UO	posed Openings\$16/8 ntemporaneous Reclamation proximate Original Contour		102(a)(1)	T. K	evegeration		111 & 116		
3	ш.,	churl Firmination		1UZ(A)(Z)	1. Ve	gelative Cover		111 6:110		
1 .		- Flores (melades desemblens)		107	2. III	ostmining T ==	d IIeo	(816/817.111-116) (816/817.111-116) (816/817.133) (816/817.133) Page 2 of		
1 6	: Un	ndling of Acid & Toxic Materials		102(c)	MI. P	osimining ryp	u U56	(010/01/.155)		
1 3	7 Sta	bilization (fills and gullies)		95(b)				Page 2 of		

Deer Creek Mine, Energy West Mining Company Utah Division of Oil, Gas, and Mining (DOGM) Permit No. UT-015-018 Phase II and III Bond Release Inspection

May 17, 2011

Participants: Daron Haddock, DOGM

James Owen, DOGM Jim Smith, DOGM Joe Helfrich, DOGM Ingrid Campbell, DOGM Howard Strand, OSM

Elizabeth Shaeffer, OSM, Badge #377

Joe DiBenedetto, USFS

Dennis Oakley, Energy West Mining Company Kenneth Fleck, Energy West Mining Company

Weather Conditions: low 50's, periodic rain and snow

Background:

By letter dated January 3, 2011, Energy West Mining Company, permittee for the Deer Creek Mine, applied for Phase II and III bond release for approximately 0.6 acres of the 9th East Portal Breakout Site. This site is located on an east-facing slope in the Right Fork of Grimes Wash, immediately adjacent to the surface facilities of the Cottonwood/Wilberg Mine.

There are a total of five (5) reclaimed portals at the 9th East Portal Breakout site. All portals and access are considered pre-SMCRA sites. Two of these portals were developed in the 1920's for wagon operations and went 50-75 feet into the mountain. The other three portals (referred to as the 9th East Breakout Portals) were developed in 1977 and utilized for intake ventilation purposes until 1990.

Final reclamation of this site commenced in the fall of 1999 and was completed in December, 1999. This reclamation included the portal terrace area and access road. The concrete collars were removed from the 1977 portals, broken up, and used as backfill material. All five portals were backfilled. They were permanently sealed after a baseline survey concluded that adequate spoil material (previously used for berms located in front of the portal area and along the access road) was available on-site to be used as backfill material. This spoil material was removed and replaced using an excavator to create a 2:1 slope.

The current total bond amount held by DOGM is approximately \$4,113,000.00. Energy West is not requesting a reduction in this bond because the site acreage is so small and the bond amount so insignificant.

Inspection:

The group began the inspection at the mine office in Huntington, Utah. Mr. Oakley and Mr. Fleck briefed us on the reclamation efforts regarding this 0.6-acre area and answered questions. We then drove to the 9th East Portal Breakout vicinity and began walking the Wilberg Mine fan road to access the bond release area (see Photo 1).

The slopes were regraded to blend with the natural drainage pattern of the surrounding area. The road was backfilled using on-site material that was previously used for berms located in front of the portal area and along the access road. The road slope and portal area appeared stable (see Photo 3). There is no indication of erosion in this area (see Photo 2).

The site is dominated by rock outcrop, rubble, and shallow soils. Since there was no available topsoil on site, soil tests were performed on disturbed and undisturbed areas as well as coal waste areas. The tests concluded that the materials at the portal area would support vegetative growth.

The vegetation along the reclaimed road was well established (see Photo 4). A track-hoe was used to roughen the disturbed area to create pockmarks, which were designed to capture precipitation, thus aiding infiltration and the establishment of vegetation. The exposed surfaces were initially protected by mixing the soil with hay mulch. The group identified sagebrush, Pacific aster, fourwing saltbrush, shadscale, rabbitbrush, and thickspike wheatgrass at the site. Vegetative sampling was conducted in fall of 2008 and 2009 by Mt. Nebo Scientific, Inc. of Springville, Utah. Additionally, vegetation monitoring has occurred for several years following reclamation. All vegetation complies with Utah Coal Regulations at R645-301-357 (Extended Responsibility Period).

The post mining land use for this area is "wildlife habitat". The reclaimed area and its successful vegetative stand support this post mining land use.

Inspection Photographs:

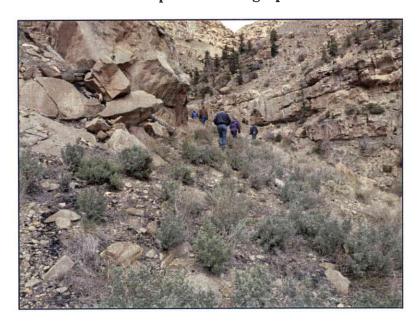


Photo 1 – Beginning of reclaimed road heading towards portals

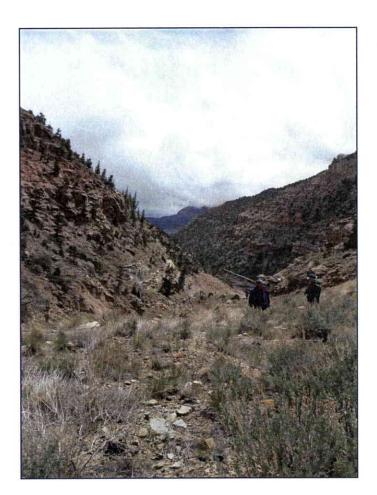


Photo 2 – At reclaimed portal area looking down-valley



Photo 3 – An example of a reclaimed portal

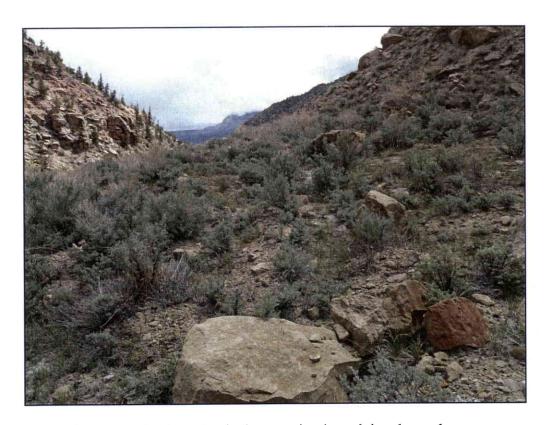


Photo 4 – Well established vegetation in reclaimed portal area